

OFFICE OF FISCAL ANALYSIS

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sHB-5042

AN ACT CONCERNING HEALTH CARE COST GROWTH. AMENDMENT

LCO No.: 5600

File Copy No.: 56

House Calendar No.: 85

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

The amendment strikes the underlying bill and its associated fiscal impact.

This amendment, which expands the Office of Health Strategy's (OHS) duties to include, among other things, setting annual health care cost growth benchmarks, health care quality benchmarks, and primary care spending targets, codifying provisions of Executive Order 5, does not result in a fiscal impact to OHS or municipalities.

The amendment, which requires private health carriers in Connecticut to develop at least two health enhancement programs (HEPs) under their policies, does not result in a fiscal impact to the state. It is anticipated that the Insurance Department, which may adopt implementing regulations under the amendment, can review compliance within existing resources. It is unknown if there will be a fiscal impact to fully insured municipalities as a result of HEP provisions of the amendment.

The amendment also changes the CON application fee from \$500 to a range of \$1,000 to \$10,000 depending on the proposed project's cost. Based on a four-year average of CON proposals, the amendment's fee

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4/27/22
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schedule is anticipated to generate an additional \$100,000 in annual revenue. The current fee of \$500 generates approximately \$12,500 annually. This increase in the application fee results in a cost to UConn Health Center each time the entity applies for a CON. The health center expects to apply for one CON in either FY 23 or FY 24. The cost will be equal to the difference between the current fee (\$500) and the new fees based on project costs (\$1,000 to \$10,000).

Lastly, the amendment adds the executive director of OHS to the statutory definition of a department head. This has no fiscal impact.

Explanation

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.